

AMENDED IN ASSEMBLY MAY 1, 2003

AMENDED IN ASSEMBLY APRIL 3, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 214

Introduced by Assembly Member Shirley Horton

(Principal coauthor: Senator Chesbro)

(Coauthors: Assembly Members *Chavez*, *Cogdill*, *Diaz*, *Dutton*,
Harman, *Kehoe*, *Longville*, *Maze*, *Plescia*, *Runner*, *Spitzer*, and
Wyland)

(Coauthors: Senators Aanestad and Soto)

January 29, 2003

An act to add Section 1051 to the Military and Veterans Code, and to add and repeal Article 11.5 (commencing with Section 18826) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 214, as amended, Shirley Horton. Taxpayer contributions: Veterans Quality of Life Fund.

Provisions relating to the administration of personal income taxes allow individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the Veterans Quality of Life Fund, which would be created by this bill. However, the bill would provide that a voluntary contribution

designation for this fund may not be added on the tax return until another voluntary contribution designation is removed from that return.

This bill would provide for the expenditure of all moneys contributed to the fund pursuant to these provisions, upon appropriation by the Legislature, for administrative costs and the maintenance and operation of veterans' homes, as provided.

This bill would also provide that these voluntary contribution provisions are repealed on January 1 of the 5th taxable year following the taxable year the fund first appears on the tax return. This bill would also repeal these provisions for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, and an adjusted amount for subsequent taxable years.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1051 is added to the Military and
2 Veterans Code, to read:

3 1051. (a) There is hereby established in the State Treasury
4 the Veterans Quality of Life Fund to receive those amounts
5 transferred to the fund pursuant to Section 18827 of the Revenue
6 and Taxation Code. ~~Upon appropriation by the Legislature, the~~
7 ~~moneys in the Veterans Quality of Life Fund shall be allocated as~~
8 ~~follows:~~

9 ~~(1) To the Franchise Tax Board and the Controller for~~
10 ~~reimbursement of all costs incurred by the Franchise Tax Board~~
11 ~~and the Controller in performing their duties under Article 11.5~~
12 ~~(commencing with Section 18826) of Chapter 3 of Part 10.2 of~~
13 ~~Division 2 of the Revenue and Taxation Code.~~

14 ~~(2) To the Department of Veterans Affairs for apportionment in~~
15 ~~equal shares to each operational veterans' home. Moneys~~
16 ~~apportioned pursuant to this subdivision may only be used for~~
17 ~~nonrecurring events or items related to the maintenance or~~
18 ~~operation of the recipient facilities.~~

19 ~~(b) Appropriations from the General Fund for the funding of~~
20 ~~those purposes described in paragraph (2) of subdivision (a) may~~
21 ~~not be reduced for the purpose of, or to have the effect of, requiring~~

1 ~~increased expenditures from the Veterans Quality of Life Fund for~~
2 ~~those described purposes.~~

3 ~~(e) Code.~~

4 (b) The administrator shall prepare an itemized report that is
5 organized by category and accounts for all expenditures made
6 from moneys apportioned from the Veterans Quality of Life Fund
7 during the previous fiscal year, and shall submit the report on
8 before August 20 of each year to all of the following:

9 (1) The secretary.

10 (2) The fiscal committees of the Assembly and the Senate.

11 (3) The committees of the Assembly and Senate that have
12 subject matter jurisdiction over veterans' affairs.

13 (4) The Veterans' Home Allied Council.

14 SEC. 2. Article 11.5 (commencing with Section 18826) is
15 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
16 Taxation Code, to read:

17
18 Article 11.5. Veterans Quality of Life Fund
19

20 18826. (a) An individual may designate on the tax return that
21 a contribution in excess of the tax liability, if any, be made to the
22 Veterans Quality of Life Fund established by Section 1051 of the
23 Military and Veterans Code. That designation is to be used as a
24 voluntary contribution on the tax return.

25 (b) The contributions shall be in full dollar amounts and may
26 be made individually by each signatory on a joint return.

27 (c) A designation shall be made for any taxable year on the
28 initial return for that taxable year and once made is irrevocable. If
29 payments and credits reported on the return, together with any
30 other credits associated with the taxpayer's account, do not exceed
31 the taxpayer's liability, the return shall be treated as though no
32 designation has been made. If no designee is specified, the
33 contribution shall be transferred to the General Fund after
34 reimbursement of the direct actual costs of the Franchise Tax
35 Board for the collection and administration of funds under this
36 article.

37 (d) If an individual designates a contribution to more than one
38 account or fund listed on the tax return, and the amount available
39 is insufficient to satisfy the total amount designated, the

1 contribution shall be allocated among the designees on a pro rata
2 basis.

3 (e) The Franchise Tax Board shall revise the form of the return
4 to include a space labeled the “Veterans Quality of Life Fund” to
5 allow for the designation permitted. The form shall also include in
6 the instructions information that the contribution may be in the
7 amount of one dollar (\$1) or more and that the contribution shall
8 be used for veterans’ homes operations.

9 (f) Notwithstanding any other provision of law, a voluntary
10 contribution designation for the Veterans Quality of Life Fund
11 may not be added on the tax return until another voluntary
12 contribution designation is removed.

13 (g) A deduction shall be allowed under Article 6 (commencing
14 with Section 17201) of Chapter 3 of Part 10 for any contribution
15 made pursuant to subdivision (a).

16 18827. *There is in the State Treasury the Veterans Quality of*
17 *Life Fund to receive contributions made pursuant to Section*
18 *18826.*

19 18828. The Franchise Tax Board shall notify the Controller of
20 both the amount of money paid by taxpayers in excess of their tax
21 liability, and the amount of refund money that taxpayers have
22 designated, pursuant to Section 18826 to be transferred to the
23 Veterans Quality of Life Fund established by Section 1051 of the
24 Military and Veterans Code. The Controller shall transfer from the
25 Personal Income Tax Fund to the Veterans Quality of Life Fund an
26 amount not in excess of the sum of the amounts designated by
27 individuals pursuant to Section 18826 for payment into that fund.

28 18829. *All moneys transferred to the Veterans Quality of Life*
29 *Fund, upon appropriation by the Legislature, shall be allocated as*
30 *follows:*

31 (a) *To the Franchise Tax Board and the Controller for*
32 *reimbursement of all costs incurred by the Franchise Tax Board*
33 *and the Controller in connection with their duties under this*
34 *article.*

35 (b) *To the Department of Veterans Affairs for allocation to the*
36 *administrators of veterans’ homes pursuant to Section 1051 of the*
37 *Military and Veterans Code. Moneys allocated pursuant to this*
38 *subdivision may only be used for nonrecurring events or items*
39 *related to the maintenance or operation of the recipient facilities.*

(c) Appropriations from the General Fund for the funding of those purposes described in subdivision (b) may not be reduced for the purpose of, or to have the effect of, requiring increased expenditures from the Veterans Quality of Life Fund for those described purposes.

~~18828.—~~

18830. It is the intent of the Legislature that this article create an additional funding source for veterans' homes and shall be used to supplement, not supplant, other funding sources for veterans' homes.

~~18829.—~~

18831. (a) This article shall remain in effect only until January 1 of the fifth taxable year following the first appearance of the Veterans Quality of Life Fund on the tax return, and as of that date is repealed, unless a later enacted statute, that is enacted before the applicable date, deletes or extends that date.

(b) If, in the second calendar year after the first taxable year the Veterans Quality of Life Fund appears on the tax return, the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars (\$250,000), or the adjusted amount specified in subdivision (c) for subsequent taxable years, as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contribution.

(c) For each calendar year, beginning with the third calendar year that the Veterans Quality of Life Fund appears on the tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

1 (2) The inflation factor adjustment used for the calendar year
2 shall be based on the figures for the percentage change in the
3 California Consumer Price Index received on or before August 1
4 of the calendar year pursuant to paragraph (1) of subdivision (h)
5 of Section 17041.

6 (d) Notwithstanding the repeal of this article, any contribution
7 amounts designated pursuant to this article prior to its repeal shall
8 continue to be transferred and disbursed in accordance with this
9 article as in effect immediately prior to that repeal.

